

## The National Danish Bank.

The National Danish Bank was founded in 1818 and has a capital of 26,752,400 crowns (\$7,000,000). The bank was the successor of the State Bank (Rigsbanken], which had been created by the government in 1813 to restore order to the demoralized financial system of the country. A decree of July 4, 1818, transferred the privileges of the old bank to the new for a term of ninety years. The government was free at the end of this period, in 1908, to extend the privileges or revoke them. The capital of the National Bank is in private hands, but it was collected by an enforced levy upon real estate, and the landowners became shareholders in the bank for the amount of the tax paid. The bank assumed the obligations of the State Bank and was unable to pay dividends until 1845. The dividends since that time have averaged about seven per cent. A decree of 1873 fixed the limit of circulation not fully covered by specie at 27,000,000 crowns, but this was increased by a decree of November 5, 1877, to 30,000,000 crowns. The metallic reserve was not permitted in any case to fall below three-eighths of the face value of the notes, and at least 12,000,000 crowns was required to be in gold coin or in bullion which had been actually delivered to the mint for coinage. The other portions of the metallic reserve may be in gold bars or foreign gold coin and in foreign silver to an amount not greater than one-third of the entire fund.<sup>1</sup>

By a decree of 1886 net balances in favor of the bank at the Bank of Norway and the Royal Bank of Sweden might be counted as a part of the legal reserve.<sup>2</sup> The notes are legal tender and the amount varies considerably with the seasons.

The charter of the bank, with the exclusive privilege of note issue, was renewed by a law of July 12, 1907. The proportion of reserve required was increased to fifty per cent.

<sup>1</sup> Comptrollers Report, 1895, Report of Minister John E. Risley, 77.

<sup>2</sup> A History of Banking in all the Leading Nations, IV., 382.